

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**

1800 Third Street, Suite 390  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 445-6000  
FAX (916) 323-6016

**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number 01-1****TO: All Eligible Jurisdictions and Interested Parties****DATE: February 16, 2001****NOTICE TO PUBLIC**

**SUBJECT: Fiscal Year 2001/2002 CDBG General/Native American Allocation Application  
Amendments to the Application Form and  
Questions and Answers from the Application Training Workshops**

**Purpose of this memo:** To notify all eligible jurisdictions and interested parties of: 1) Amended pages of the 2001/2002 G/NA Application (Attached). If you plan to download the application form from the Department's web page, the amended application will be posted on approximately February 21, and; 2) the answers to questions posed, but not answered, at the 2001/2002 General and Native American Allocation (G/NA) Application Training Workshops held at five locations throughout the State in January, 2001.

We have attached four amended pages to the application, as follows: Page 14 is amended to clarify question C.2; page 48 is amended to add a question regarding the State objective of "worst-case housing needs" (also see STATE OBJECTIVE POINTS, below); page 84 is amended to add space to answer the second question located on the upper portion of the page and to correct numbering errors; and page 113 is amended to replace underlining of the "Not computed" figures with strikethroughs.

Each year at the beginning of the annual funding cycle, the State CDBG G/NA Program conducts Application Training Workshops. These workshops provide information to interested jurisdictions and other interested parties about the availability of funds and how to prepare an application package. During the workshops, State CDBG staffs entertained and answered many questions, but were unable to immediately answer those that required additional research. The following are those questions that were not answered during the workshops, and our answers:

**ELIGIBLE USE OF FUNDS**

**Q: Can activity dollars be used for planning activities?**

**A:** Planning activities are a general administrative expense unless they are related to a specific CDBG project, in which case they may be an activity delivery expense. CDBG restricts the amount of CDBG funds spent on general administration to 7.5 percent of the total grant amount, and the amount of CDBG funds spent on activity delivery to 8, 12, or 18 percent (depending on the activity), of the total

activity amount. These caps will govern whether the activity funds may be spent on planning activities.

#### NATIONAL OBJECTIVE – URGENT NEED OF RECENT ORIGIN

**Q: When spending CDBG Program Income for an eligible activity meeting the national objective “urgent need of recent origin”, is it CDBG’s policy that the urgent need must have occurred within the preceding six months?**

A: No. In order to use this national objective, federal CDBG regulations requires that the grantee certify that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health and welfare of the community which are of recent origin or which recently became urgent. Further, a condition will generally be considered to be of a recent origin if it developed or became critical within 18 months preceding the grantee’s certification. Please note that the grantee must obtain their CDBG Representative’s approval before using this national objective.

#### CITIZEN PARTICIPATION

**Q: Regarding public notices for citizen participation public hearings, must a very small city that does not have its own newspaper of general circulation publish the notice in a county-wide newspaper of general circulation, or is it acceptable to only post the meeting notice at the customary locations throughout the city?**

A: It is acceptable for a very small city to only post the citizen participation public hearing notices. Procurement standards generally require wider distribution than this.

#### STATE OBJECTIVE POINTS

**Q: Several questions were raised concerning the “Worst-Case Housing Needs” State Objective points, as follows:**

**Q(a): What parameters must be met to obtain Worst Case Housing Needs points?**

A: Up to 25 points will be awarded to proposals that facilitate the construction, acquisition or rehabilitation of permanent housing projects that meet all of the following requirements: 1) must be rental housing; 2) must target at least 25 percent of the program beneficiaries to be LTIG households who do not receive Federal housing assistance, and 3) must reduce these beneficiaries’ rent and utility costs to below 50 percent of their gross incomes, or who live in severely substandard housing. For the purposes of this State Objective, permanent means that residents’ tenure in the housing will not be limited to a certain time period.

**Q(b): Page 6 of the Application includes a table indicating that Worst Case Housing Needs points are not available for community facilities. What if the community facility is permanent housing for a special needs group?**

A: As a result of this question, we have determined that such a project could meet the parameters for Worst-Case Housing Needs. All parameters listed in the answer to Q(a)., above must be met.

**Q(c): Could a permanent housing project serving previously homeless persons qualify for the Worst-Case Housing Needs points even though it cannot be shown that the homeless persons did not previously pay over 50 percent of their income for housing or live in severely substandard housing?**

A: Yes, we consider homeless persons to be a Worst-Case Housing Needs population, assuming that they are LTIG and, once housed, will pay less than 50 percent of their incomes for housing.

**Q: Capacity Building. Did CDBG consider awarding Capacity-Building State Objective points to jurisdictions that either had applied and were not funded, or that had not applied for funding (in the specified years), considering that there is a cost associated with applying for the funds?**

A: Yes, this option was considered and rejected in favor of those who exhibit a proactive effort to access the funds. Eligible jurisdictions can access CDBG Planning and Technical Assistance Allocation grant funds to pay up to \$2,500 for CDBG application preparation.

#### HOUSING NEW CONSTRUCTION - LAST RESORT HOUSING

**Q: Does “last resort housing” listed, under Housing New Construction as a situation in which CDBG funds may be used to construct housing, include persons displaced from private housing?**

A: Last resort housing is housing that the grantee has determined must be constructed in order to provide suitable replacement housing for persons to be displaced by a contemplated CDBG project, subject to the Uniform Relocation Act, and where the project is prevented from proceeding because the required replacement housing is not available otherwise. (From HUD’s CDBG Guide to National Objectives and Eligible Activities for Entitlement Communities.)

#### LIMITED CLIENTEL – ELDERLY DEFINITION

**Q: What is the age criterion for the “elderly” limited clientele group?**

A: For the purpose of limited clientele-only, elderly is defined as 62 years of age or older. Please note that the elderly limited clientele group only qualifies for 51

percent TIG under the State's competition. A survey would be necessary to justify a higher percentage.

## LEVERAGE

**Q: How would the donation of equipment rentals, for a public works project, be valued?**

A: The owner of the equipment would commit, through a letter, to lending the equipment for the project. The letter must include the value the donation.

## HOUSING REHABILITATION

**Q: Can (a jurisdiction) apply to rehabilitate a mixed-use building consisting of commercial space on the ground floor and housing above under the G/NA Allocation?**

A: A mixed-use building is eligible under the G/NA Allocation as long as the majority of the CDBG funds address housing rehabilitation and CDBG dollars only address the exterior and the correction of code violations for the commercial use. Reference 24 CFR 570.202(a)(3).

**Q: Would a project to rehabilitate the infrastructure of a rental mobilehome park be eligible, and if so, would we apply under Public Works or Housing Rehabilitation?**

A: Such a project could be proposed as either Public Works or Housing Rehabilitation. We suggest that you analyze the project's competitiveness under each. The primary difference in the way we look at the two activities is in the "Community Need" ranking criterion. The mobilehome park may be identified as a target area under either activity, but under housing rehabilitation some census factors are used, and these require the use census-designated boundaries, which may limit the size of the target area for census-data purposes. Also, under Housing Rehabilitation, percentage of the units needing rehabilitation is used, which may dilute the argument for the need to replace/rehabilitate the infrastructure.

**PART C. PROGRAM INCOME**

1. Enter the total amount of Program Income on account locally as of March 31, 2001: \$ \_\_\_\_\_
2. Total committed Program Income (total of a., b., and c., below) \$ \_\_\_\_\_
  - a. Enter the amount of the above Program Income that has been committed to specific projects not listed in b., or c., below: \$ \_\_\_\_\_
  - b. Enter the amount of C.2. that has been committed to activities/ projects proposed in this application: \$ \_\_\_\_\_

Specify which activity/project(s), and the amount(s) committed to each:

- c. Enter the amount of C.2. that has been committed to be used with this grant for different activities than those proposed in this application: \$ \_\_\_\_\_

Briefly describe the activity(ies), the CDBG National Objectives to be met and the amounts proposed to be funded by Program Income:

3. Enter the amount of uncommitted CDBG program income (C.1. minus C.2): \$ \_\_\_\_\_

**PART D. OFFICIAL(S) AUTHORIZED TO SUBMIT APPLICATION**

1. Name (Print)	Title
Signature	Date
2. Name (Print)	Title
Signature	Date

2001 G/NA  
**Activity Description for Housing Rehabilitation**

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**A. NEED FOR ACTIVITY**

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1. What will the CDBG dollars be used for?

☐ Jurisdiction-wide program

☐ Target area program

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2. Project description and State objective points.

a. Briefly describe the project.

b. State Objective Points: Please answer the question below and attach documentation if you believe you should receive points for the following State objective as described in the 2001 NOFA.

**Worst Case Housing Needs:** Will 25 percent of the program beneficiaries be LTIG households whose housing costs will be reduced to below 50 percent of their gross incomes?

☐ Yes

☐ No

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3. Jurisdiction-Wide rehabilitation programs.

**Dilapidated Units:** Enter the percent of housing units, *jurisdiction-wide*, that are dilapidated and *not* suitable for rehabilitation.

	%
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*Attach 2 copies of the page from your Housing Element where this percentage is documented.*

**Suitable for Rehabilitation:** Enter the percent of housing units, jurisdiction-wide that are suitable for rehabilitation.

<b>Minor</b>	<b>Moderate</b>	<b>Major</b>
%	%	%

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*Attach 2 copies of the page from your Housing Element where this percentage is documented.*

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10 Percent Set aside. Applicants must document and demonstrate that the proposed activity is CDBG eligible and principally benefits the targeted income group. If you choose to propose a 10 percent set-aside activity, it will not be competitively rated.

Does this application include a component for the 10 percent set-aside?

☐ Yes      ☐ No

If yes, describe the eligible activity, the percent of benefit to the targeted income group, and how this percent was determined. Attach applicable documentation.

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**TARGETED INCOME GROUP BENEFIT**

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1. Describe the project or service to be provided.

2. Enter the percentage of households benefiting from this proposed activity who are TIG households \_\_\_\_\_ %

3. How was the TIG percentage determined? *Please attach documentation for the TIG benefit.*

- Income restriction? ☐ Yes    ☐ No
- Income survey of existing beneficiaries? ☐ Yes    ☐ No
- Income survey of potential beneficiaries? ☐ Yes    ☐ No
- Census data? ☐ Yes    ☐ No
- Other? Explain: \_\_\_\_\_

4. You are not required to have done a survey to establish benefit under Public Works, but if you did answer “yes” above to having done a survey, please answer the following: (See Appendix B for guidance on conducting surveys.)

- Survey date \_\_\_\_\_
- Total # of households in the service area \_\_\_\_\_
- Number of survey responses received \_\_\_\_\_
- Number of TIG respondents \_\_\_\_\_

# **RENTER OVERPAYMENT**

1990 Census Of Population And Housing Summary Tape File 3A

040 California  
050 Alpine County

## **HOUSEHOLD INCOME IN 1989 BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989**

Universe: Specified renter-occupied housing units

	(Add the number of housing units above, and below, the underline)	
Less than \$10,000:		
Less than 20 percent .....	4	
20 to 24 percent.....	<u>0</u>	4 (paying less than 25%)
25 to 29 percent.....	0	
30 to 34 percent.....	0	
35 percent or more.....	28	28 (paying 25% or more)
Not computed.....	2	
\$10,000 to \$19,999		
Less than 20 percent .....	10	
20 to 24 percent.....	<u>1</u>	11 (paying less than 25%)
25 to 29 percent.....	1	
30 to 34 percent.....	10	
35 percent or more.....	5	16 (paying 25% or more)
Not computed.....	10	
\$20,000 to \$34,999		
Less than 20 percent .....	21	
20 to 24 percent.....	<u>10</u>	31 (paying less than 25%)
25 to 29 percent.....	5	
30 to 34 percent.....	0	
35 percent or more.....	4	9 (paying 25% or more)
Not computed.....	9	
\$35,000 to \$49,999:		
Less than 20 percent .....	38	
20 to 24 percent.....	<u>0</u>	38 (paying less than 25%)
25 to 29 percent.....	0	
30 to 34 percent.....	0	
35 percent or more.....	0	0 (paying 25% or more)
Not computed.....	0	
\$50,000 or more:		
Less than 20 percent .....	23	
20 to 24 percent.....	<u>0</u>	23 (paying less than 25%)
25 to 29 percent.....	0	
30 to 34 percent.....	0	
35 percent or more.....	0	0 (paying 25% or more)
Not computed.....	3	